

Indiana House of Representatives

News and Information

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STATEHOUSE REPORT FROM REP. DAVE CROOKS

INDIANAPOLIS – Property tax relief and Major Moves are two of the most critical issues before the 2006 Indiana General Assembly, and both received attention this week from House members.

House Bill 1001 outlines a series of tax breaks for property owners in response to a biennial state budget that raised those property taxes. House Bill 1008 would enable the state to lease the Indiana Toll Road to private investors in order to pay for a series of major road and bridge projects.

Initiatives of this scope involve billions of dollars of your money. In order to make sure that money is being well-spent, it is important to look at these proposals completely and find out whether your best interests are protected.

I worry that both of these measures are being rushed through the legislative process without giving them the full attention they deserve. Questions need to be asked about both bills, so let me discuss some of my concerns.

House Bill 1001 does offer some property tax relief, but that still will not make up for the increases in local property taxes that came as a result of the biennial state budget that was approved in 2005.

The 2005-06 budget caps the amount of state-funded property tax relief, a move that has shifted close to \$1 billion in property taxes onto the backs of local taxpayers. The same budget also limited state support for public education, forcing school corporations to raise local taxes, cut programs, or lay off teachers and staff.

The breaks contained in House Bill 1001 will not prevent your property tax bills from going up this year. There also are questions how these new breaks will be financed.

House Bill 1001 would provide a 3 percent cap on rate increases on residential property, a limit that does not include levies for debt service and local schools. It also would freeze local tax levies for child welfare services, a move that begins the process of having those services funded entirely at the state level. Senior citizens would receive deferrals if they receive excessive property tax increases.

Major Moves calls for completion of several large infrastructure improvement projects: upgrading the Indiana Toll Road, building the Interstate 69 extension from Indianapolis to Evansville, completing the Hoosier Heartland Corridor from Lafayette to Logansport, improving U.S. 31 in northern Indiana, creating a transportation link from Fort Wayne to eastern states (the "Fort to Port" project) and building two new bridges spanning the Ohio River near Louisville.

All of these projects are important to Indiana's future, and I would like to see all of them take place. However, I continue to have serious questions about the methods the governor wants to use to finance this work. Based upon the calls, letters and e-mails I have received from you folks out there, I'm not alone in those concerns.

The Daniels Administration wants to lease the Indiana Toll Road for 75 years, then use the proceeds from that agreement to fund the Major Moves projects. Administration officials claim that such a lease will bring \$2 billion to the state, although other sources feel that number could be even higher – perhaps as much as \$5 billion. Other funding would be generated from turning the I-69 extension into a toll way. In return, the private investor would keep all toll money. The administration already has announced plans to raise tolls on the Indiana Toll Road.

No matter what the administration might say in defense of such a move, many people have a problem with the idea

of paying tolls that will go into the pocket of a private investor, particularly if that investor is based overseas. How would you feel if you knew that, every time you traveled to the state capitol or across northern Indiana, you had to pay a toll that was sent directly to someone in a foreign country?

And what will happen if operating the Toll Road turns out to lose money for these investors? Will they increase tolls again? Will they lose interest in their investment and allow the road to fall into disrepair? What will be the state's obligation if the investor abandons ownership of the road?

These are legitimate questions that should be answered before lawmakers enact such a sweeping proposal into law. Auctioning off the Toll Road to foreign investors is not the only option available to finance road work. State law already gives us the ability to use future federal gas tax revenues to float bonds that can pay for projects of the scope contained in the Major Moves program, and you will not have to raise tolls or fees to do it.

I was pleased that representatives approved House Bill 1150, a measure I authored that will allow antique car collectors to place year-of-model license plates on their vehicles, beginning in 2008.

Finally, the U.S. Department of Transportation has declared that eight counties – two in northwest Indiana and six in southwest Indiana: Daviess, Dubois, Knox, Martin, Perry and Pike – can switch to the Central Time Zone, effective in April. That means 18 counties in our state will be on a separate time from the rest of Indiana, including the state capital in Indianapolis, throughout the entire year.

Once again, I believe there is a need to give the people of this state a chance to decide whether we should be on Central or Eastern Time. However, the governor and House leadership has indicated they will not support my plan to place the time zone issue up for public referendum, which is contained in House Bill 1014.

I will continue to push for passage of that plan, and I encourage anyone who wants to see this issue settled once and for all to call the governor's office (telephone number 317-232-4567) and the office of House Speaker Brian Bosma of Indianapolis (1-800-382-9842) to make their feelings known.

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This news release can be accessed on the Internet at www.IN.gov/H63